Fourth International Conference on Export Controls

By

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When the United States and other nations began working together on the problem of proliferation of weapons of mass destruction (WMD) over thirty years ago, the world was a very different place, where the largest source of the most dangerous materials was contained within two superpowers. Weapons of mass destruction were considered weapons of last resort. Non-state actors were not yet linked to abundant sources of supply. With the end of the Cold War, the international security environment changed and the proliferation problem increased. When the world witnessed the destructive potential of terrorism on September 11, 2001, we were reminded of the need to remain steadfast in recognizing emerging threats to our security, and to think one step ahead of those who wish to do us harm.

The United States believes that the greatest threat to international peace and stability comes from rogue states and transnational terrorist groups that are unrestrained in their choice of weapon and undeterred by conventional means. There can be no doubt that, if given the opportunity, terrorist groups such as al-Qaeda would not hesitate to use disease as a weapon against the unprotected, to spread chemical agents to inflict pain and death on the innocent, or to send suicide-bound adherents armed with radiological explosives on missions of murder. To ensure that terrorist groups and their state sponsors are never able to gain access to chemical, biological, or nuclear weapons, or the means to deliver them via missile, the United States is employing a variety of methods to combat the spread of weapons of mass destruction, including multilateral agreements, diplomacy, arms control, threat reduction assistance, export control and other means where necessary.

Export control, the subject of our discussions this week, forms a key component in our efforts to stem proliferation and terrorism. Proliferation concerns are growing, more states are seeking increasingly advanced WMD capabilities, more states are entering the supply market, and all of this is compounded by the fact that terrorists are also seeking weapons of mass destruction. A strong export control system, properly enforced, can stem the spread of weapons of mass destruction, their delivery systems, related dual-use items, and advanced conventional arms. Our critical mission to keep sensitive goods and technology out of the hands of terrorists and their state sympathizers requires us to enact strict measures at the national level, to work bilaterally to assist other countries in upgrading their tracking and enforcement capabilities, and to use multilateral partnerships to help standardize and strengthen export control laws. This annual conference has proved successful in providing a venue for policy, licensing, and enforcement officials to further those efforts on all levels.

This year's conference is co-hosted with our ally Poland. This is the first year where a recipient country of export control assistance has been chosen to co-host this important event. Poland, a member of all four multilateral export control regimes, is an excellent example of what national and multilateral efforts can achieve. Poland has made great strides in tightening its export control system within the past ten years. It adopted a new export control law in 2001, refurbished its border crossings, and has strengthened its capabilities to enforce export controls.

Previous conferences have addressed information-sharing, the intangible transfer of technology, catch-all regulations, and industry compliance programs. This year's conference will

focus on the changed environment in the wake of the September 11 attacks with an emphasis on countries' efforts to standardize procedures, share information, eliminate opportunities for criminal or terrorist efforts, and improve enforcement.

As we look at the changes in our world over the past year and review the task ahead of us, we must recognize the success or failure of any multilateral effort to control the flow of sensitive technology and dangerous material rests on a common purpose and agreement on the source of the threat. Terrorist groups seek to acquire chemical, biological or nuclear weapons any way they can; state sponsors of terrorism are actively working to acquire weapons of mass destruction and their missile delivery systems. Here lies a dangerous confluence of nefarious motives, and we must prevent the one from abetting the other. To do this, we must maintain an unvarnished view of the proliferators, and we must disrupt their supply of sensitive goods and technology before it contributes to an increased WMD capability or falls into the hands of terrorists or other rogue states.

Without question, the states most aggressively acquiring WMD and their means of delivery are Iran, Iraq and North Korea, followed by Libya and Syria. It is no coincidence that these states, which are uniformly hostile to the United States, are among the ones we identify as state sponsors of terrorism.

Iran, one of the most egregious state sponsors of terror, is known to be seeking dual-use materials, technology and expertise for its offensive biological and chemical weapons programs from entities in Russia, China and Western Europe. It is also seeking to upgrade its large ballistic missile force with the help of Russian, North Korean and Chinese firms. Our intelligence clearly shows that Iran seeks to acquire a nuclear weapons capability, and thus we are extremely concerned about transfers to Iran of dual-use materials. Once a rogue state's intentions become apparent, we can safely assume that the dual-use technologies it acquires will be used for nefarious purposes.

Iraq, despite U.N. sanctions, maintains an aggressive program to rebuild the infrastructure for its nuclear, chemical, biological and missile programs. In each instance, Iraq's procurement agents are actively working to obtain both weapons-specific and dual-use materials and technologies critical to their rebuilding and expansion efforts, using front companies and whatever illicit means at hand. We estimate that once Iraq acquires fissile material — whether by securing the materials to build an indigenous fissile material capability or by acquiring fissile material from a foreign source — it could develop a nuclear weapon well within one year. We also believe that Iraq has continued to procure materials and technology, including controlled items, for its biological, chemical, nuclear and missile weapons programs.

North Korea is the world's number one exporter of missile technology and equipment. These sales are one of its major sources of hard currency, which in turn allow continued missile development and production. As the central intelligence agency publicly reports: "North Korea has assumed the role as the missile and manufacturing technology source for many programs. North Korean willingness to sell complete systems and components has enabled other states to acquire longer range capabilities."

Libya continues to pursue an indigenous chemical warfare production capability, relying heavily on foreign suppliers for precursor chemicals, technical expertise, and other key chemical warfare-related equipment. Moreover, Libya has not abandoned its goal of having an offensive biological warfare (BW) program. It continues efforts to obtain ballistic missile-related equipment, materials, technology, and expertise from foreign sources. Further, it continues its longstanding pursuit of nuclear weapons, and the suspension of U.N. sanctions against Libya increased its access to nuclear technologies.

Syria seeks to expand its chemical weapons program and, through foreign assistance, improve its capability to produce biological weapons. Syria is also pursuing assistance from North Korea and firms in Russia for its missile development programs. Syria has become a major transshipment point for goods and technology going to Iraq.

Among these regimes flow dangerous weapons and dangerous technology. A growing concern is that cooperation among proliferators is increasing, recipients have become suppliers, and this "onward proliferation" presents yet another difficult problem. These are the critical areas of concern for those of us in the export control business, and it is on these rogue regimes in particular that we should focus a watchful eye. States such as these rely heavily on front companies and illicit arms traders to seek out arms, equipment, sensitive technology and dual-use goods for the benefit of their WMD programs. These front companies are experts at concealing the actual end-use of an item and in finding the path of least resistance for shipping an illicit commodity. If there is a loophole in a law or a weak border point, these companies will try to exploit it. All too often they succeed.

In an effort to plug the holes in this system, we are encouraging countries around the world to adopt export controls that conform to international standards, to put in place effective licensing procedures and practices, and to back them up with capable enforcement mechanisms. Through the Export Control Assistance Program, we are helping other countries to control the movement of goods and technology through their borders. For example, Customs officials in a Caspian Basin country who had received our training recently stopped a suspicious shipment headed through their territory that contained military aircraft parts destined for a false end-user in a Middle Eastern country. Officials immediately contacted our export control advisor at the U.S. Embassy for advice on how to proceed. This case is still in process, but demonstrates the progress we are making raising awareness about export controls and strengthening enforcement capabilities in the region.

We are also working to expand and update the inventory listed in the four multilateral export control regimes, so as to keep ahead of demands for new technology that could be used for the production of weapons of mass destruction. The control lists must reflect not only the items that could contribute to a full-scale WMD program, but also those that would be useful to terrorists. The United States imposes strict rules on its industry, the same ones it asks other countries to apply to theirs. U.S. companies are restricted from doing business with firms involved in supplying equipment, technology, or expertise to known proliferators or entities that could potentially aid terrorists.

Thwarting the acquisitive aims of rogue states and terrorists will require the determination and resourcefulness of all the countries represented here today. Sensitive, dual-use goods and technologies cannot be controlled effectively unless there is broad consensus to do so, and unless these goods and technologies are *consistently* denied to those we have identified as proliferators. With the consequences of failure so great, we simply cannot afford to have weak links in our common export control chain. As President Bush said in June, "The gravest danger to freedom lies at the perilous crossroads of radicalism and technology. When the spread of chemical and biological and nuclear weapons, along with ballistic missile technology … occurs, even weak states and small groups could attain a catastrophic power to strike great nations. Our enemies have declared this very intention, and have been caught seeking these terrible weapons. They want the capability to blackmail us, or to harm us, or to harm our friends — and we will oppose them with all our power." I encourage you to take full advantage of this conference by discussing how to further strengthen export controls and enforcement.